

CITY OF HOMER
HOMER, ALASKA

ORDINANCE 79-17

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF SPECIAL ASSESSMENT BONDS TO PAY FOR LAKE-SHORE DRIVE AND BAY DRIVE UTILITIES EXTENSION CONSTRUCTION (RESOLUTION 79-16), AND TO ESTABLISH TERMS AND CONDITIONS FOR INSTALLMENT PAYMENT BY ASSESSED PROPERTY OWNERS FOR THE RETIREMENT OF SUCH BONDED INDEBTEDNESS.

WHEREAS, the Common Council of the City of Homer has created the local improvement districts (Resolution 78-15/16 and Resolution 78-34/35) known as the Lakeshore and Bay Drive, Water and Sewer Improvement Districts, for the purpose of constructing water and sewer utility extensions, in accordance with Alaska Statutes 29.63.010 through 29.63.085 and Articles II and III of Chapter 13A of the Homer City Code, and that construction of such improvements has been certified as complete, and

WHEREAS, it is the intention of the City of Homer to issue and sell Special Assessment Bonds to pay the costs of said improvements.

NOW THEREFORE, the City of Homer ordains as follows:

Section 1. SPECIAL ASSESSMENT BONDS - AUTHORIZATION. The Common Council of the City of Homer hereby authorizes the issuance and sale of special assessment bonds to finance the total cost of the above described utility projects as determined in the final assessment rolls after all payments and/or adjustments pertaining to said assessment rolls have been received and such adjustments calculated.

Section 2. TERM; INTEREST RATE; PAYMENT SCHEDULE. The Council further authorizes that the term to maturity (in years) for said special assessment bonds shall be seventeen (17) years, and that the interest rate paid on such bonds shall be five percent (5%) on the declining balance compounded semi-annually. Payments made to retire said bonds will be made once annually with date of payment to be determined at time of sale.

Section 3. SAME - SINKING FUND. A sinking fund consisting of all payments and deposits, special assessment bond sale proceeds, annual assessed payments (including interest and penalties) and interest earned shall be established for the purpose of payment of interim finance and assuring the bond holders that all payments including principal and interest shall be made in a timely and business like manner.

Section 4. INSTALLMENT PLAN FOR ASSESSMENT PAYMENTS. An installment payment plan by which the assessed property owners within the special assessment district may elect to pay the assessment over a period of time (years) with interest and subject to penalties, is hereby established. Payments shall be deposited to the sinking fund for the retirement of special assessment bonds.

Section 5. SAME - TERM; INTEREST RATE. The term (in years) of the installment plan for the assessed property owners of the special assessment districts known as the Lakeshore Drive and Bay Drive water and sewer improvement districts shall be ten (10) years. The interest will be at an annual rate of eight percent (8%) on the declining balance compounded annually.

Failed on second reading - see Ordinance 79-20

Section 6. SAME - PAYMENT SCHEDULE; DEFAULT AND FORECLOSURE.

The payments shall be made in annual installments with payment dates to be determined at the time of the above mentioned bond sale. A ten (10) day grace period for payment will be allowed after the payment date. On the eleventh (11th) day a penalty of ten percent (10%) of the payment amount due shall be added and incorporated in the amount payable. On the sixtieth (60th) day after said payment is due the assessed property owner shall be deemed in default, and the total assessed amount plus interest to that day and penalties shall become due and payable. Should default occur, the City of Homer will enforce a civil action with the same effect as actions for a foreclosure of mortgage on real property. Foreclosure shall be against all property on which assessments are in default. All costs including collection and legal fees resulting from such action shall be added and incorporated into the assessed amount due plus interest and penalties, and shall be reimbursed from the proceeds of foreclosure sale of the assessed real property. (And/or borne by the City of Homer should such property be dedicated to public use.)

Section 7. GUARANTEE FUND. Prior to issuing special assessment bonds the Council shall establish a guarantee fund in accordance with Alaska Statutes 29.63.085(c) and Section 13A-200.20(c) of the Homer City Code. A sum shall be appropriated annually in an amount adequate to cover any deficiency in meeting principal and interest payments of bonds issued by reason of nonpayment of assessments when due. Money received from actions taken against property for nonpayment of assessments shall be credited to the guarantee fund. Interest on the guarantee funds shall be a revenue of the improvement district.

CITY OF HOMER

Leo Rhode, Mayor

ATTEST:

Becky O'Neill, City Clerk

First Reading 10/22/79

Public Hearing 11/12/79

Second Reading 11/12/79

Effective Date _____